

CALIFORNIA ENERGY COMMISSION

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www.energy.ca.gov

**American Recovery and Reinvestment Act (ARRA)****NEW LOWER INTEREST LOAN RATE****1 Percent Loans
For Energy Efficiency and
Energy Generation Projects**

One percent loans? Yes! Adding American Reinvestment and Recovery Act (ARRA) funding to California's existing Energy Conservation Assistance Account (ECAA) program, the Energy Commission is providing loans with a low interest rate of 1 percent that can help your local jurisdiction invest in energy efficiency, save money reduce greenhouse gas emissions, and build new jobs and industries for your community.

The Energy Commission accepts loan applications on a first-come, first-served basis for cost-effective energy projects. Loan financing may be used in conjunction with other funding. The 1 percent rate applies to loans made on or after September 9, 2009, and ends when a new notice is issued. The Energy Commission's 1 percent interest rates will not be applied retroactively to existing loans.

The terms and conditions of the ARRA **1 percent interest rate loan** require accountability requirements for tracking and monthly reporting of the funds. Loan recipients must account for these funds separately to meet ARRA federal reporting requirements.

Projects that are not eligible for an ARRA funded loan may qualify for an ECAA funded loan at an interest rate of 3 percent per year.

Who is eligible?

Cities, counties, special districts, public schools, colleges and universities, public care institutions, and public hospitals are eligible to apply.

Projects on facilities owned or operated by California state agencies are not eligible for these funds.

How much is available and what is the maximum amount per application?

The maximum loan amount is \$3 million per application and \$25 million are currently available. Organizations with existing loans from the Energy Commission must demonstrate that their current loan-funded projects have achieved substantial progress before another loan will be awarded. There is no minimum loan amount.

What types of projects are eligible?

Projects with proven energy and/or capacity savings are eligible, provided they meet the ECAA eligibility requirements. Common projects include energy efficiency upgrades to:

- Lighting systems
- Heating, ventilating and air conditioning systems
- Light emitting diode (LED) traffic signals
- Energy management systems and equipment controls
- Pumps and motors
- Cogeneration systems
- Renewable energy projects

What projects are prohibited?

Projects that are not consistent with the ARRA project funding criteria, including:

- Swimming Pools
- Gambling Establishments
- Aquariums
- Zoos
- Golf Courses

What are the project/loan requirements?

There are stringent ARRA reporting and monthly monitoring requirements detailed in the 1 percent loan agreement.

- Projects funded by ARRA loans must be completed and loans fully disbursed (i.e., all invoices must be submitted and paid) on or before **March 31, 2012**.
- ARRA loan funds may only be used to **supplement** and may not be used to supplant funds already committed or expected to be received in support of the loan funded project.
- Loans for energy projects must be repaid from energy cost savings within 15 years, including principal and interest (approximately 13 years simple

payback for the 1 percent interest rate funding). Simple payback is calculated by dividing the dollar amount of the loan by the anticipated annual energy cost savings.

- ARRA funded loans will be amortized on the estimated annual energy cost savings achieved by the loan-funded project.
- The loan term cannot exceed the useful life of loan-funded equipment.
- Only approved project-related costs with invoices dated after loans are officially awarded by the Energy Commission at a Business Meeting are eligible to be reimbursed from loan funds. If the application is not approved for any reason, the Energy Commission is not responsible for reimbursement of any costs.

How can I get an application?

The application is available online at: [<http://www.energy.ca.gov/efficiency/financing/>]

A print copy may be requested by contacting the Energy Commission's Public Programs Office at (916) 654-4104 or by submitting a written request to:

California Energy Commission
Special Projects Office
1516 Ninth Street, MS #42
Sacramento, CA 95814-5512
E-mail: [pubprog@energy.state.ca.us]

Any Questions?

Contact the Energy Commission's Special Projects Office at (916) 654-4104 or by E-mail at pubprog@energy.state.ca.us.

News media should direct inquiries to the Media and Communications office at (916) 654-4989.

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